

CITY OF SANTA BARBARA CITY COUNCIL

Marty Blum
Mayor
Dale Francisco
Mayor Pro Tempore
Das Williams
Ordinance Committee Chair
Roger L. Horton
Finance Committee Chair
Iya G. Falcone
Grant House
Helene Schneider



James L. Armstrong
City Administrator

Stephen P. Wiley
City Attorney

City Hall
735 Anacapa Street
<http://www.SantaBarbaraCA.gov>

JANUARY 27, 2009 AGENDA

ORDER OF BUSINESS: Regular meetings of the Finance Committee and the Ordinance Committee begin at 12:30 p.m. The regular City Council meeting begins at 2:00 p.m. in the Council Chamber at City Hall.

REPORTS: Copies of the reports relating to agenda items are available for review in the City Clerk's Office, at the Central Library, and <http://www.SantaBarbaraCA.gov>. In accordance with state law requirements, this agenda generally contains only a brief general description of each item of business to be transacted or discussed at the meeting. Should you wish more detailed information regarding any particular agenda item, you are encouraged to obtain a copy of the Council Agenda Report (a "CAR") for that item from either the Clerk's Office, the Reference Desk at the City's Main Library, or online at the City's website (<http://www.SantaBarbaraCA.gov>). Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office located at City Hall, 735 Anacapa Street, Santa Barbara, CA 93101, during normal business hours.

PUBLIC COMMENT: At the beginning of the 2:00 p.m. session of each regular City Council meeting, and at the beginning of each special City Council meeting, any member of the public may address the City Council concerning any item not on the Council's agenda. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that public comment is taken up by the City Council. Should City Council business continue into the evening session of a regular City Council meeting at 6:00 p.m., the City Council will allow any member of the public who did not address them during the 2:00 p.m. session to do so. The total amount of time for public comments will be 15 minutes, and no individual speaker may speak for more than 1 minute. The City Council, upon majority vote, may decline to hear a speaker on the grounds that the subject matter is beyond their jurisdiction.

REQUEST TO SPEAK: A member of the public may address the Finance or Ordinance Committee or City Council regarding any scheduled agenda item. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that the item is taken up by the Finance or Ordinance Committee or City Council.

CONSENT CALENDAR: The Consent Calendar is comprised of items that will not usually require discussion by the City Council. A Consent Calendar item is open for discussion by the City Council upon request of a Councilmember, City staff, or member of the public. Items on the Consent Calendar may be approved by a single motion. Should you wish to comment on an item listed on the Consent Agenda, after turning in your "Request to Speak" form, you should come forward to speak at the time the Council considers the Consent Calendar.

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act, if you need special assistance to gain access to, comment at, or participate in this meeting, please contact the City Administrator's Office at 564-5305 or inquire at the City Clerk's Office on the day of the meeting. If possible, notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements in most cases.

TELEVISION COVERAGE: Each regular City Council meeting is broadcast live in English and Spanish on City TV Channel 18 and rebroadcast in English on Wednesdays and Thursdays at 7:00 p.m. and Saturdays at 9:00 a.m., and in Spanish on Sundays at 4:00 p.m. Each televised City Council meeting is closed captioned for the hearing impaired. Check the City TV program guide at www.citytv18.com for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

ORDER OF BUSINESS

- 1:00 p.m. - Special Finance Committee Meeting, David Gebhard Public Meeting Room, 630 Garden Street
- 2:00 p.m. - City Council Meeting

SPECIAL FINANCE COMMITTEE MEETING - 1:00 P.M. IN THE DAVID GEBHARD PUBLIC MEETING ROOM, 630 GARDEN STREET (120.03)

Subject: December 31, 2008, Investment Report And December 31, 2008, Fiscal Agent Report

Recommendation: That the Finance Committee recommend that Council:

- A. Accept the December 31, 2008, Investment Report; and
 - B. Accept the December 31, 2008, Fiscal Agent Report.
- (See Council Agenda Item No. 2)

REGULAR CITY COUNCIL MEETING – 2:00 P.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

1. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of December 16, the adjourned regular meeting of December 22, the regular meeting of December 23, and the regular meeting of December 30, 2008 (cancelled due to lack of a quorum).

2. Subject: December 31, 2008, Investment Report And December 31, 2008, Fiscal Agent Report (260.02)

Recommendation: That Council:

- A. Accept the December 31, 2008, Investment Report; and
- B. Accept the December 31, 2008, Fiscal Agent Report.

3. Subject: Adoption Of Ordinance For A Lease Agreement With Ag Rx (330.04)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Lease Agreement Between the City of Santa Barbara and Ag Rx For Operation of an Agricultural Supply Business at the Santa Barbara Municipal Airport.

CONSENT CALENDAR (CONT'D)

4. Subject: Wetland Mitigation Monitoring Biological Services Year 3 Contract (560.04)

Recommendation: That Council approve and authorize the Airport Director, subject to approval by the City Attorney as to form, to execute a contract with URS Corporation for post-construction biological monitoring associated with the Airfield Safety Projects and other small projects at the Santa Barbara Airport in an amount not to exceed \$106,847, and authorize the Airport Director to approve expenditures up to \$10,685 for extra services that may result from necessary changes in the scope of work.

5. Subject: Change Order Request For Solid Waste Rate Study Consultant (630.01)

Recommendation: That Council approve a change order of \$15,000 to Professional Services Agreement No. 378865 with Skumatz Economics Research Associates, Inc., bringing the total contract to \$38,930.

6. Subject: Special Weapons And Tactics (S.W.A.T.) Weapons Exchange And Purchase (520.04)

Recommendation: That Council find it in the City's best interest to waive the formal bid procedure as authorized by Municipal Code §4.52.080(k) and approve the exchange and purchase of new weapons and equipment from Cinema Weaponry.

7. Subject: Increase In Funding For Two Water Conservation Grants And Graywater Permit Fee Offset (540.05)

Recommendation: That Council:

- A. Accept an increase in grant funding from the U.S. Bureau of Reclamation in the amount of \$20,000 for the Sustainable Landscaping Television Series;
- B. Accept an increase in grant funding from the U.S. Bureau of Reclamation in the amount of \$20,000 for the Rain Sensor Program;
- C. Increase the estimated Fiscal Year 2009 Water Fund Revenues by \$40,000 and appropriate the same to the 2008-2009 Water Fund Operating Budget; and
- D. Authorize use of the Water Fund to offset a portion of the fee for issuance of graywater system permits.

CONSENT CALENDAR (CONT'D)

NOTICES

8. The City Clerk has on Thursday, January 22, 2009, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

9. Subject: Conference With Legal Counsel - Pending Litigation (160.03)

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (a) of section 54956.9 of the Government Code and take appropriate action as needed. The pending litigation is City of Santa Barbara v. United States of America; Richard Yee v. United States of America, USDC Number CV 07-7533 VBF (JCx) consolidated with CV 08-2115.

Scheduling: Duration, 15 minutes; anytime

Report: None anticipated

10. Subject: Conference With Legal Counsel - Pending Litigation (160.03)

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (a) of section 54956.9 of the Government Code and take appropriate action as needed. The pending litigation is Landslide Repair Foundation v. City of Santa Barbara, SBSC Number 1304297.

Scheduling: Duration, 15 minutes; anytime

Report: None anticipated

ADJOURNMENT

CITY OF SANTA BARBARA
FINANCE COMMITTEE
SPECIAL MEETING AGENDA

DATE: January 27, 2009

TIME: 1:00 p.m.

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Roger L. Horton, Chair

Helene Schneider

Iya Falcone

James L. Armstrong
City Administrator

Robert D. Peirson
Finance Director

ITEM TO BE CONSIDERED:

**Subject: December 31, 2008, Investment Report And December 31, 2008,
Fiscal Agent Report**

Recommendation: That the Finance Committee recommend that Council:

- A. Accept the December 31, 2008, Investment Report; and
- B. Accept the December 31, 2008, Fiscal Agent Report.

(See Council Agenda Item No. 2)



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING December 16, 2008 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Marty Blum called the joint meeting of the Council and Redevelopment Agency to order at 2:03 p.m. (The Finance Committee and Ordinance Committee met at 12:00 p.m.)

PLEDGE OF ALLEGIANCE

Mayor Blum.

ROLL CALL

Councilmembers present: Iya G. Falcone, Dale Francisco, Roger L. Horton, Grant House, Helene Schneider, Das Williams, Mayor Blum.

Councilmembers absent: None.

Staff present: City Administrator James L. Armstrong, City Attorney Stephen P. Wiley, Deputy City Clerk Brenda Alcazar.

PUBLIC COMMENT

Speakers: Terry Tyler; Mick Sherer, Service Employees International Union Local 620; Margie Walter; Ken Loch.

CONSENT CALENDAR (Item Nos. 1 – 9 and 11 – 14)

The titles of the ordinances and resolutions related to the Consent Calendar were read.

Motion:

Councilmembers House/Horton to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote.

1. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of December 2, 2008 (cancelled due to lack of a quorum).

Action: Approved the recommendation.

2. Subject: Fiscal Year 2009 Interim Financial Statements For The Four Months Ended October 31, 2008 (250.02)

Recommendation: That Council accept the Fiscal Year 2009 Interim Financial Statements for the Four Months Ended October 31, 2008.

Action: Approved the recommendation (December 16, 2008, report from the Finance Director).

3. Subject: Adoption Of Ordinance To Allow For Temporary Occupancy Of Trailers While Rebuilding Homes Damaged Or Destroyed In The Tea Fire (640.04)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Temporarily Amending Section 28.87.180 of Title 28 of the Santa Barbara Municipal Code in Order to Allow the Use of Trailer Coaches, Recreational Vehicles, and Mobile Homes as Temporary Dwelling for Those Homes Damaged in the November 2008 Tea Fire.

Action: Approved the recommendation; Ordinance No. 5473.

4. Subject: Introduction Of Ordinance For Seven-Year Lease Agreement With The Santa Barbara Sailing Club (330.04)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Seven-Year Lease With The Santa Barbara Sailing Club, Effective January 22, 2009, for an 8,677 Square Foot Boat Storage Yard at 118 Harbor Way, at an Initial Base Rent of \$1,443 per Month, Subject to Annual Cost of Living Increases.

Action: Approved the recommendation (December 16, 2008, report from the Waterfront Director; proposed ordinance).

5. Subject: Update Of Conflict Of Interest Code Resolution (110.04)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the Conflict of Interest Code of the City of Santa Barbara to Incorporate by Reference the Fair Political Practices Commission's Model Code and Rescinding Resolution No. 06-098.

Action: Approved the recommendation; Resolution No. 08-109 (December 16, 2008, report from the Administrative Services Director; proposed resolution).

6. Subject: Urban Streams Restoration Grant Application Resolution (540.14)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the Application for \$293,900 in Grant Funds from the State of California Department of Water Resources Urban Streams Restoration Grant Program for the Upper Las Positas Creek Restoration and Storm Water Management Project.

Action: Approved the recommendation; Resolution No. 08-110 (December 16, 2008, report from the Parks and Recreation Director; proposed resolution).

7. Subject: Contract For Construction Of The San Roque Well Facility Phase II Project (540.10)

Recommendation: That Council award and authorize the Public Works Director to execute a contract with Lash Construction, Inc. (Lash), in their low bid amount of \$466,941, for construction of the San Roque Well Facility Phase II Project (Project), Bid No. 3541, and authorize the Public Works Director to approve expenditures up to \$56,033 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment.

Action: Approved the recommendation; Contract No. 22,957 (December 16, 2008, report from the Public Works Director).

8. Subject: Contract For Construction Of The Water Main Replacement Project, Fiscal Year 2008-2009 (540.06)

Recommendation: That Council:

- A. Award and authorize the Public Works Director to execute a contract with Lash Construction, Inc. (Lash), waiving a minor bid irregularity, for \$1,636,562, for the construction of the Water Main Replacement Project, Fiscal Year 2008-2009, Bid No. 3538, which includes their low bid amount of \$1,137,102 and expenditures of \$499,460 to construct Bid Alternate C, and authorize the Publics Works Director to approve expenditures up to \$164,000 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment; and
- B. Authorize the General Services Manager to issue a purchase order to Fugro West, Inc. (Fugro), in the amount of \$9,300 for material testing services, and approve expenditures up to \$900 for extra services that may result from necessary changes in the scope of work.

Action: Approved the recommendations; Contract No. 22,958 (December 16, 2008, report from the Public Works Director).

9. Subject: Conversion Technology Project - Upcoming Costs And Cost Sharing Arrangement (630.01)

Recommendation: That Council approve the reimbursement to the County of Santa Barbara for the City's share of costs, estimated at \$114,000 from the Solid Waste Fund, for technical studies and legal assistance required for the preparation of a request for proposals (RFP) from Conversion Technology vendors.

Action: Approved the recommendation (December 16, 2008, report from the Finance Director).

Item No. 10 appears in the Redevelopment Agency minutes.

NOTICES

11. The City Clerk has on Thursday, December 11, 2008, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.
12. A City Council site visit is scheduled for Monday, December 22, 2008, at 1:30 p.m. to the property located at 101 E. Victoria Street, which is the subject of an appeal hearing set for December 23, 2008, at 2:00 p.m.
13. Receipt from the Housing Authority of the City of Santa Barbara of its 2008 Annual Report. (660.03)
14. Received a letter of resignation from Transportation and Circulation Committee Member Dr. Michael Cooper; the vacancy will be part of the next City Advisory Group recruitment.

This concluded the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

Finance Committee Member Helene Schneider reported that the Committee met to review both the City's and the Redevelopment Agency's Interim Financial Statements, which were approved as part of this Agenda's Consent Calendar (Item Nos. 2 and 10). They also heard reports on the General Fund financial status and the Redevelopment Agency 2008 Annual Report, both of which will be heard by the Council as Agenda Item Nos. 15 and 17, respectively.

REPORT FROM THE ORDINANCE COMMITTEE

Ordinance Committee Chair Das Williams reported that the Committee met to review and discuss proposed amendments to City Charter Section 1506 pertaining to building heights, focusing on issues for discussion by the Planning Commission, Architectural Board of Review and the Historic Landmarks Commission.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

FINANCE DEPARTMENT

15. Subject: Update On General Fund Financial Status (230.05)

Recommendation: That Council hear a staff report on the financial status of the General Fund.

Documents:

- December 16, 2008, report from the Finance Director.
- December 16, 2008, presentation prepared and made by Staff.

Speakers:

Staff: Finance Director Robert Peirson.

Councilmember Falcone left the meeting at 2:21 p.m. and returned at 2:57 p.m.

Discussion:

Staff presented a report on the Fiscal Year 2009 General Fund projected variances and Fiscal Year 2010 General Fund projected deficit. Staff responded to the Councilmembers' questions.

Councilmember Williams left the meeting at 3:11 p.m.

PUBLIC WORKS DEPARTMENT

16. Subject: Introduction Of Ordinance Regulating Parking Of Recreational Vehicles (550.01)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adding Section 10.44.205 to Chapter 10.44 of Santa Barbara Municipal Code Title 10 Pertaining to Parking of Recreational Vehicles Within the City and Parking Restrictions Necessary to Protect the Public Health and Safety.

Documents:

- December 16, 2008, joint report from the Public Works Director and the Chief of Police.
- Proposed Ordinance.

(Cont'd)

16. (Cont'd)

The title of the ordinance was read.

Speakers:

- Staff: City Administrator's Office Special Projects Manager Don Olson.
- Members of the Public: Mr. Pennington; Steven A. Amerikaner, Santa Barbara Business Center; Gary Linker, New Beginnings; Louis Welder, Olive Court.

Councilmember Williams returned to the meeting at 3:17 p.m.

Motion:

Councilmembers Schneider/Falcone to approve the recommendation.

Amendment Motion:

Councilmembers Schneider/Williams to approve the recommendation, extending the Council's compliments for the parking program, and to direct staff to: 1) continue to work with New Beginnings and other jurisdictions to analyze and identify additional spaces in the City for inclusion in the program; and 2) report back to the Ordinance Committee within 3 months on the program's success.

Vote on Amendment Motion:

Unanimous voice vote.

RECESS

3:40 p.m. - 3:52 p.m.

REDEVELOPMENT AGENCY REPORTS

17. Subject: Redevelopment Agency 2008 Annual Report (620.01)

Recommendation: That Council and Redevelopment Agency Board:

- A. Receive, accept, and approve the Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2008, consisting of the Auditor's Opinion, Financial Statements and the Auditor's Compliance Report; and
- B. Review and approve the Annual Report for the Fiscal Year ended June 30, 2008, and direct staff to submit copies of the Annual Report to the California State Controller's Office.

Documents:

- December 16, 2008, report from the Community Development Director/Deputy Director.
- City of Santa Barbara Redevelopment Agency Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2008.

(Cont'd)

17. (Cont'd)

Documents (Cont'd):

- December 16, 2008, PowerPoint presentation prepared and made by Staff.

Speakers:

Staff: Redevelopment Supervisor Brian Bosse, Housing Programs Supervisor Steven Faulstich.

Council/Agency Member Falcone left the meeting at 4:12 p.m.

Motion:

Council/Agency Members Schneider/Williams to approve the recommendations.

Vote:

Unanimous voice vote (Absent: Council/Agency Member Falcone).

Item No. 18 appears in the Redevelopment Agency minutes.

Councilmember Horton left the meeting at 4:55 p.m.

MAYOR AND COUNCIL REPORTS

19. Subject: Appointments To City Advisory Groups (140.05)

Recommendation: That Council make appointments to the City advisory groups.

Documents:

December 16, 2008, report from the Administrative Services Director.

Recess: 4:55 p.m. - 4:56 p.m. Councilmember Horton was present when the Council reconvened.

Speakers:

Staff: City Clerk Services Manager Cynthia M. Rodriguez.

Access Advisory Committee:

Nominees:

Brian Barnwell, Jeanette Chian, James Marston.

(Cont'd)

19. (Cont'd)

Access Advisory Committee (Cont'd):

Vote:

- For Barnwell: Councilmembers Horton, House, Schneider, Williams, Mayor Blum.
- For Chian: Councilmembers Falcone, Francisco, Horton, House, Schneider, Williams.
- For Marston: Councilmembers Falcone, Francisco, Mayor Blum.

Nominees:

James Marston, Ken McClellan, Amy Van Meter.

Vote:

- For Marston: Councilmembers Falcone, Francisco, House, Williams, Mayor Blum.
- For McClellan: Councilmembers Horton, Schneider.
- For Van Meter: Councilmembers Falcone, Francisco, Horton, House, Schneider, Williams, Mayor Blum.

Appointments:

Brian Barnwell and Jeanette Chian were appointed to the Architectural/Engineering/Building Communities category, and James Marston and Amy Van Meter were appointed to the Disability Community category, for terms expiring December 31, 2011.

Airport Commission:

Nominees:

John Clark, David Dwelley.

Vote:

- For Clark: Councilmembers Falcone, Horton, House, Schneider, Williams, Mayor Blum.
- For Dwelley: Councilmember Francisco.

Nominees:

David Dwelley, Michael Magne, Dr. Glenn Miller, Scott Tracy.

Vote:

- For Dwelley: Councilmember Francisco.
- For Magne: Councilmembers Falcone, House.
- For Miller: Councilmember Williams, Mayor Blum.
- For Tracy: Councilmembers Horton, Schneider.

(Cont'd)

19. (Cont'd)

Airport Commission (Cont'd):

Runoff Vote:

- For Dwelley: None.
- For Magne: Councilmembers Falcone, House.
- For Miller: Councilmember Williams, Mayor Blum.
- For Tracy: Councilmembers Francisco, Horton, Schneider.

Appointments:

John Clark was re-appointed and Scott Tracy was appointed to the Qualified Elector category, for terms expiring December 31, 2012.

Architectural Board of Review:

Motion:

Councilmembers Schneider/Williams to appoint Christopher Gilliland and Carol Gross.

Vote:

Unanimous voice vote.

Motion:

Mayor Blum/Councilmember Falcone to appoint Dawn Sherry.

Vote:

Unanimous voice vote.

Nominees:

Chava Riley, Keith Rivera.

Vote:

- For Riley: None.
- For Rivera: Councilmembers Falcone, Francisco, Horton, House, Schneider, Williams, Mayor Blum.

Appointments:

Christopher Gilliland was appointed to the Licensed Landscape Architect category for a term expiring December 31, 2009. Carol Gross was re-appointed to the Licensed Landscape Architect category and Dawn Sherry was re-appointed to the Professional Qualifications category, for terms expiring December 31, 2012. Keith Rivera was appointed to the Licensed Architect category for a term expiring December 31, 2012.

(Cont'd)

19. (Cont'd)

Building and Fire Code Board of Appeals:

Motion:

Councilmembers House/Falcone to appoint Marsha Ziles.

Vote:

Unanimous voice vote.

Appointment:

Marsha Ziles was appointed for an open term.

Civil Service Commission:

Motion:

Councilmembers Schneider/Falcone to appoint Gabriel Garcia.

Vote:

Unanimous voice vote.

Appointment:

Gabriel Garcia was re-appointed for a term expiring December 31, 2012.

Community Development and Human Services Committee:

Nominees:

Michael Just, Petra Löwen.

Vote:

- For Just: Councilmembers Falcone, Horton, Schneider, Williams.
- For Löwen: Councilmembers Francisco, House, Mayor Blum.

Motion:

Mayor Blum/Councilmember Falcone to appoint Alice O'Connor.

Vote:

Unanimous voice vote.

Motion:

Councilmembers Falcone/Schneider to appoint Barbara Allen.

Vote:

Unanimous voice vote.

Motion:

Councilmembers Falcone/Schneider to appoint Greg Gorga.

Vote:

Unanimous voice vote.

(Cont'd)

19. (Cont'd)

Community Development and Human Services Committee (Cont'd):

Appointments:

Michael Just was appointed to the Disabled Community category, Alice O'Connor was re-appointed to the Downtown Neighborhood category, Barbara Allen was re-appointed to the Housing Authority category, and Greg Gorga was appointed to the Lower Westside Neighborhood category, for terms expiring December 31, 2012.

Community Events and Festivals Committee:

Motion:

Councilmembers Falcone/Horton to appoint David Boire and Wayne Hewitt.

Vote:

Unanimous voice vote.

Appointments:

David Boire and Wayne Hewitt were appointed to the Business/Lodging/Retail Industry category for terms expiring December 31, 2011.

Creeks Advisory Committee:

Nominees:

Landon Neustadt, Matthew O'Brien.

Vote:

- For Neustadt: None.
- For O'Brien: Councilmembers Falcone, Francisco, Horton, House, Schneider, Williams, Mayor Blum.

Appointment:

Matthew O'Brien was appointed for a term expiring December 31, 2010.

Downtown Parking Committee:

Nominees:

Eric Kelley, Matt La Brie, Gene McKnight.

(Cont'd)

19. (Cont'd)

Downtown Parking Committee (Cont'd)

Motion:

Councilmembers Williams/Falcone to appoint Eric Kelley, Matt La Brie and Gene McKnight.

Vote:

Unanimous voice vote.

Appointments:

Eric Kelley, Matt La Brie and Gene McKnight were appointed to the Residents of the City category for terms expiring December 31, 2012.

Fire and Police Commission:

Motion:

Councilmembers Falcone/Schneider to appoint Thomas Parker.

Vote:

Unanimous voice vote.

Appointment:

Thomas Parker was appointed for a term expiring December 31, 2012.

Fire and Police Pension Commission:

Motion:

Councilmembers House/Williams to appoint Scott Tracy and Thomas Walsh.

Vote:

Unanimous voice vote.

Appointments:

Scott Tracy and Thomas Walsh were appointed to the Qualified Elector category for terms expiring December 31, 2010.

Franklin Center Advisory Committee:

Nominees:

Michael Goldberg, Ana Soto, Chrystal Sturm.

(Cont'd)

19. (Cont'd)

Franklin Center Advisory Committee (Cont'd):

Motion:

Councilmembers Williams/Schneider to appoint Michael Goldberg, Ana Soto and Chrystal Sturm.

Vote:

Unanimous voice vote.

Appointments:

Michael Goldberg and Chrystal Sturm were appointed to the Neighborhood category for terms expiring December 31, 2009, and December 31, 2012, respectively. Ana Soto was re-appointed to the Neighborhood category for a term expiring December 31, 2012.

Historic Landmarks Commission:

Motion:

Councilmembers Schneider/Williams to appoint Fermina Murray and Craig Shallenberger.

Vote:

Unanimous voice vote.

Appointments:

Fermina Murray was re-appointed to the Professional Architectural Historian category and Craig Shallenberger was appointed to the Architect category, for terms expiring December 31, 2012.

Library Board:

Motion:

Councilmembers Williams/Schneider to appoint Catherine Radecki-Bush and Christine Roberts.

Vote:

Unanimous voice vote.

Appointments:

Catherine Radecki-Bush was re-appointed and Christine Roberts was appointed for terms expiring December 31, 2012, and December 31, 2011, respectively.

(Cont'd)

19. (Cont'd)

Lower Westside Center Advisory Committee:

Motion:

Councilmembers Schneider/Williams to appoint Nicolas Ferrara, Paul Contreras and Elvira Quiroga.

Vote:

Unanimous voice vote.

Appointments:

Nicolas Ferrara was appointed to the Neighborhood category for a term expiring December 31, 2012, and Paul Contreras and Elvira Quiroga were appointed to the Public at Large category for terms expiring December 31, 2009, and December 31, 2012, respectively.

Metropolitan Transit District Board:

Motion:

Councilmembers Williams/Falcone to re-appoint Sharon Anderson and John Britton.

Vote:

Majority voice vote (Noes: Councilmember Francisco).

Appointments:

Sharon Anderson and John Britton were re-appointed for terms expiring March 6, 2013.

Mosquito and Vector Management District Board:

Motion:

Councilmembers Schneider/Williams to appoint David Pritchett.

Vote:

Unanimous voice vote.

Appointment:

David Pritchett was appointed for a term expiring January 3, 2011.

Park and Recreation Commission:

Nominees:

Rosalind Amorteguy, Scott Burns, Daniel Hochman.

(Cont'd)

19. (Cont'd)

Park and Recreation Commission (Cont'd):

Vote:

- For Amorteguy: Councilmembers Falcone, Francisco, Horton.
- For Burns: Councilmembers Francisco, House, Schneider, Williams, Mayor Blum.
- For Hochman: Councilmembers Falcone, Horton, House, Schneider, Mayor Blum.

Appointments:

Scott Burns and Daniel Hochman were appointed for terms expiring December 31, 2012.

Planning Commission:

Nominees:

Michael Jordan, Stella Larson, Sheila Lodge.

Vote:

- For Jordan: Councilmembers Falcone, Francisco, House, Mayor Blum.
- For Larson: Councilmembers Horton, House, Schneider, Williams.
- For Lodge: Councilmembers Falcone, Francisco, Horton, Schneider, Williams, Mayor Blum.

Runoff Vote:

- For Jordan: Councilmembers Falcone, Francisco, Mayor Blum.
- For Larson: Councilmembers Horton, House, Schneider, Williams.

Appointments:

Sheila Lodge was appointed and Stella Larson was re-appointed for terms expiring December 31, 2012.

Rental Housing Mediation Task Force:

Motion:

Councilmembers Schneider/Williams to appoint Justin Dullum.

Vote:

Unanimous voice vote.

Appointment:

Justin Dullum was appointed to the Tenant category for a term expiring December 31, 2011.

(Cont'd)

19. (Cont'd)

Sign Committee:

Motion:

Councilmembers Schneider/Falcone to appoint Joshua Pemberton.

Vote:

Unanimous voice vote.

Appointment:

Joshua Pemberton was appointed to the Public at Large category for a term expiring December 31, 2011.

Sister Cities Board:

Motion:

Councilmembers Schneider/Falcone to appoint Janet Baker and Wayne Hewitt.

Vote:

Unanimous voice vote.

Appointments:

Janet Baker was re-appointed and Wayne Hewitt was appointed to the Public at Large category for terms expiring December 31, 2012.

Transportation and Circulation Committee:

Nominees:

Mark Bradley, Edward France, David Tabor.

Motion:

Mayor Blum/Councilmember Schneider to appoint Mark Bradley, Edward France and David Tabor.

Vote:

Unanimous voice vote.

Appointments:

Mark Bradley and David Tabor were re-appointed, and Edward France was appointed to the Qualified Elector category for terms expiring December 31, 2012.

(Cont'd)

19. (Cont'd)

Water Commission:

Motion:

Councilmembers Schneider/Williams to appoint Landon Neustadt and Russell Ruiz.

Vote:

Unanimous voice vote.

Appointments:

Landon Neustadt and Russell Ruiz were re-appointed for terms expiring December 31, 2012.

Westside Center Advisory Committee:

Motion:

Councilmembers Falcone/Schneider to appoint Raquel Mendoza, Rosalina Palacios and Gloria Franco.

Vote:

Unanimous voice vote.

Appointments:

Raquel Mendoza and Rosalina Palacios were re-appointed to the Neighborhood category for terms expiring December 31, 2012, and December 31, 2011, respectively. Gloria Franco was re-appointed to the Public at Large category for a term expiring December 31, 2012.

RECESS

Mayor Blum recessed the meeting at 5:19 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 20. No reportable action is anticipated.

CLOSED SESSIONS

20. Subject: Conference With Legal Counsel - Pending Litigation (160.03)

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (a) of section 54956.9 of the Government Code and take appropriate action as needed. Pending litigation considered is: Daniel Paulin v. City of Santa Barbara, WCAB, Case Number GOL 0101217.

Scheduling: Duration, 10 minutes; anytime

Report: None anticipated

(Cont'd)

20. (Cont'd)

Documents:

December 16, 2008, report from the Finance Director.

Time:

5:20 p.m. - 5:35 p.m.

No report made.

RECESS

5:36 p.m. - 6:02 p.m.

Mayor Blum presiding.

Councilmembers present: Francisco, Horton, House, Schneider, Williams, Mayor Blum.

Councilmembers absent: Falcone.

Staff present: City Administrator Armstrong, City Attorney Wiley, Deputy City Clerk Alcazar.

PUBLIC COMMENT

No one wished to speak.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

COMMUNITY DEVELOPMENT DEPARTMENT

21. Subject: Plan Santa Barbara Draft Policy Preferences Report, And Next Steps For Environmental Impact Report (650.05)

Recommendation: That Council direct staff to initiate CEQA environmental review for the General Plan Update: Draft Policy Preferences Report, December 2008 as the draft General Plan sustainability framework and draft policy direction for updating the City General Plan and growth management program, and proceed with Phase III of the Plan Santa Barbara process to update the Land Use Element, Land Use Map, and Housing Element.

(Continued from December 11, 2008)

Documents:

- Documents previously submitted December 11, 2008.
- December 16, 2008, Plan Santa Barbara Council Recommendation Outline submitted by Staff.

Councilmember Falcone returned to the meeting at 6:03 p.m.

(Cont'd)

21. (Cont'd)

Speakers:

- Staff: City Planner Bettie Weiss, Principal Planner John Ledbetter, Principal Transportation Planner Rob Dayton.

Councilmember Horton left the meeting at 6:58 p.m. Councilmember Williams left the meeting at 8:00 p.m.

Motion:

Councilmember Schneider/Mayor Blum to initiate CEQA environmental review for the General Plan Update and to proceed with Phase III of the Plan Santa Barbara process.

Vote:

Majority voice vote (Noes: Councilmember Francisco; Absent: Councilmembers Horton, Williams).

ADJOURNMENT

Mayor Blum adjourned the meeting at 8:19 p.m. to Monday, December 22, 2008, at 1:30 p.m. at 101 E. Victoria Street.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

_____ ATTEST: _____	
MARTY BLUM MAYOR	BRENDA ALCAZAR, CMC DEPUTY CITY CLERK



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

ADJOURNED REGULAR MEETING December 22, 2008 101 E. VICTORIA STREET

CALL TO ORDER

Mayor Pro Tempore Grant House called the meeting to order at 1:35 p.m.

ROLL CALL

Councilmembers present: Iya G. Falcone, Roger L. Horton, Helene Schneider, Mayor Pro Tempore House.

Councilmembers absent: Dale Francisco, Das Williams, Mayor Marty Blum.

Staff present: Assistant City Administrator Joan M. Kent.

PUBLIC COMMENT

No one wished to speak.

NOTICES

The City Clerk has on Thursday, December 18, 2008, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

SITE VISITS

Subject: 101 E. Victoria Street

Recommendation: That Council make a site visit to the property located at 101 E. Victoria Street, which is the subject of an appeal hearing scheduled for December 23, 2008, at 2:00 p.m.

Speakers:

Staff: Associate Planner Kathleen Kennedy.

(Cont'd)

Subject: 101 E. Victoria Street (Cont'd)

Discussion:

Staff reviewed the plans for the project. Council conducted a tour of the property and also viewed the proposed project from Arlington Court. Councilmembers asked questions regarding several issues, including the elevations of neighboring buildings and the location of a new driveway.

ADJOURNMENT

Mayor Pro Tempore House adjourned the meeting at 2:00 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

_____ ATTEST: _____	
GRANT HOUSE	SUSAN TSCHECH, CMC
MAYOR PRO TEMPORE	DEPUTY CITY CLERK



CITY OF SANTA BARBARA

CITY COUNCIL MINUTES

REGULAR MEETING

December 23, 2008

COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Marty Blum called the joint meeting of the Council and the Financing Authority to order at 2:04 p.m. (The Finance Committee met at 12:30 p.m. The Ordinance Committee, which ordinarily meets at 12:30 p.m., did not meet on this date.)

PLEDGE OF ALLEGIANCE

Mayor Blum.

ROLL CALL

Councilmembers present: Iya G. Falcone, Dale Francisco, Roger L. Horton, Grant House, Helene Schneider, Mayor Blum.

Councilmembers absent: Das Williams.

Staff present: City Administrator James L. Armstrong, City Attorney Stephen P. Wiley, City Clerk Services Manager Cynthia M. Rodriguez.

PUBLIC COMMENT

Speakers: Gert Walter.

CONSENT CALENDAR (Item Nos. 1 – 12, 14 and 15)

The titles of the ordinances and resolutions related to the Consent Calendar items were read.

Motion:

Councilmembers Falcone/Horton to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote (Absent: Councilmember Williams).

1. Subject: November 2008 Investment Report (260.02)

Recommendation: That Council accept the November 2008 Investment Report.

Action: Approved the recommendation (December 23, 2008, report from the Finance Director).

2. Subject: Adoption Of Ordinance For Seven-Year Lease Agreement With The Santa Barbara Sailing Club (330.04)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Seven-Year Lease With The Santa Barbara Sailing Club, Effective January 22, 2009, for an 8,677 Square-Foot Boat Storage Yard at 118 Harbor Way, at an Initial Base Rent of \$1,443 per Month, Subject to Annual Cost of Living Increases.

Action: Approved the recommendation; Ordinance No. 5474; Agreement No. 22,959.

3. Subject: Adoption Of Ordinance Regulating Parking Of Recreational Vehicles (550.01)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adding Section 10.44.205 to Chapter 10.44 of Santa Barbara Municipal Code Title 10 Pertaining to Parking of Recreational Vehicles Within the City and Parking Restrictions Necessary to Protect the Public Health and Safety.

Action: Approved the recommendation; Ordinance No. 5475.

4. Subject: Downtown Parking Proposed Changes To Hours Of Operation (550.01)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 08-060, Establishing Certain City Fees, Including Water and Wastewater Rates, and Rescinding Resolution Nos. 07-052, 07-085, and 08-013, by Adjusting Downtown Parking Hours for Which Fees are in Effect, Effective February 1, 2009.

Action: Approved the recommendation; Resolution No. 08-111 (December 23, 2008, report from the Public Works Director; proposed resolution).

5. Subject: Adjustment To The 90-Day MyRide Bus Pass Fee To Offset Program Cost Increases (150.05)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 06-105, Amending Resolution No. 06-056, Establishing Certain City Fees, Including Water and Wastewater Rates, Creating a 90-Day Bus Pass Fee Administered by Downtown Parking, by Adjusting the 90-Day Bus Pass Fee Administered by Downtown Parking Effective January 2, 2009.

Action: Approved the recommendation; Resolution No. 08-112 (December 23, 2008, report from the Public Works Director; proposed resolution).

6. Subject: Re-Adoption Of The 2003 Bicycle Master Plan To Remain Eligible For State Bicycle Transportation Account Grants (670.04)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Re-Adopting the 2003 Bicycle Master Plan.

Action: Approved the recommendation; Resolution No. 08-113 (December 23, 2008, report from the Public Works Director; proposed resolution).

7. Subject: Local Emergency Due To Fire (520.02)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring the Continuance of a Local Emergency Due to the Tea Fire.

Action: Approved the recommendation; Resolution No. 08-114 (December 23, 2008, report from the Fire Chief; proposed resolution).

8. Subject: Additional Grant For Rehabilitation Of The Housing Authority's SHIFCO Project At 418 Santa Fe Place (660.04)

Recommendation: That Council approve a grant of \$200,000 in Federal Home Investment Partnerships Program (HOME) funds for additional rehabilitation of the Housing Authority of Santa Barbara's affordable housing project located at 418 Santa Fe Place, and authorize the Community Development Director to execute a grant agreement in a form approved by the City Attorney.

Action: Approved the recommendation (December 23, 2008, report from the Community Development Director).

9. Subject: Contract For Preliminary Design Of The El Estero Wastewater Treatment Plant Influent Pump Station Rehabilitation (540.13)

Recommendation: That Council authorize the Public Works Director to execute a contract with Brown and Caldwell Engineering (Brown and Caldwell) for \$156,760 to conduct professional engineering analysis of and recommend rehabilitation procedures for the influent pump station at El Estero Wastewater Treatment Plant (El Estero), and authorize the Public Works Director to approve expenditures up to \$15,676 to cover any cost increases that might result from change orders for extra work.

Action: Approved the recommendation; Contract No. 22,960 (December 23, 2008, report from the Public Works Director).

10. Subject: Approval Of Map And Execution Of Agreements For 1115 Quinientos Street (640.08)

Recommendation: That Council approve and authorize the City Administrator to execute and record Parcel Map No. 20,766 for a subdivision at 1115 Quinientos Street (finding the Parcel Map in conformance with the State Subdivision Map Act, the City's Subdivision Ordinance, and the Tentative Subdivision Map), and other standard agreements relating to the approved subdivision.

Action: Approved the recommendation; Agreement Nos. 22,961 and 22,962 (December 23, 2008, report from the Public Works Director).

11. Subject: Sole Source Purchase Of Native Plants From Growing Solutions Restoration Education Institute And Santa Barbara Natives, Inc. (540.14)

Recommendation: That Council:

- A. Find it in the City's best interest to waive the bidding process as provided by Municipal Code Section 4.52.080 (k) and authorize the General Services Manager to issue Purchase Orders to Santa Barbara Natives, Inc., in the amount of \$37,500 and to Growing Solutions Restoration Education Institute in the amount of \$37,500, for a total cost of \$75,000; and
- B. Authorize the General Services Manager to issue Purchase Orders for native plants from Growing Solutions Restoration Education Institute and Santa Barbara Natives, Inc., for four subsequent consecutive fiscal years in amounts approved by City Council in the annual budget process.

Action: Approved the recommendations (December 23, 2008, report from the Parks and Recreation Director).

12. Subject: Acceptance And Appropriation Of Traffic Solutions' Commute Challenge Prize (670.08)

Recommendation: That Council increase Public Works' estimated revenues by the Santa Barbara County Association of Governments (SBCAG) Traffic Solutions Commute Challenge prize in the amount of \$1,120, and appropriate this amount to the Fiscal Year 2009 Streets Capital Fund for Alternative Modes Marketing.

Action: Approved the recommendation (December 23, 2008, report from the Public Works Director).

Agenda Item No. 13 appears in the Financing Authority minutes.

NOTICES

14. The City Clerk has on Thursday, December 18, 2008, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.
15. Cancellation of the regular City Council meeting of December 30, 2008, and of the regular City Council and Redevelopment Agency meetings of January 6, 2009, due to lack of a quorum.

This concluded the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

Finance Committee Chair Roger Horton reported that the Finance Committee met to review the November 2008 Investment Report, which was approved by the City Council as part of this Agenda's Consent Calendar (Item No. 1), and the Comparative Indicators report, which contained interesting information on how the city compares to other cities in the region.

FINANCING AUTHORITY REPORTS

16. Subject: Airport Terminal Project Bond Issuance (240.03)

Recommendation: That Council and Board Members:

- A. Adopt, by reading of title only, A Resolution of the Board of Directors of the Santa Barbara Financing Authority Authorizing the Issuance of Not to Exceed \$65,000,000 of Santa Barbara Financing Authority Lease Revenue Bonds (Airport Project), Series 2009, Approving the Execution and Delivery of Various Related Documents in Connection with the

16. (Cont'd)

Offering and Sale of Such Bonds and Other Matters Related Thereto; provided, however, that with respect to the Series 2009A Bonds, the true interest cost shall not exceed 8.0% per annum, and that with respect to the Series 2009B Bonds, the true interest cost shall not exceed 9.0% per annum;

- B. Adopt, by reading of title only, A Resolution of the City Council of the City of Santa Barbara Approving the Issuance by the Santa Barbara Financing Authority, in One or More Series, of Not to Exceed \$65,000,000 of Santa Barbara Financing Authority Lease Revenue Bonds (Airport Project), Series 2009, Approving the Execution and Delivery of Various Related Documents in Connection with the Offering and Sale of Such Bonds and Other Matters Related Thereto; provided, however, that with respect to the Series 2009A Bonds, the true interest cost shall not exceed 8.0% per annum and that with respect to the Series 2009B Bonds, the true interest cost shall not exceed 9.0% per annum;
- C. Approve and authorize the Airport Director to execute, subject to City Attorney review of the form of the agreement, an Amendment to Contract 22,644 with Jacob Consultancy, for the preparation of the Report of the Airport Consultant, Airport Feasibility Report, on the proposed issuance of debt for the Airline Terminal Improvement Project, increasing the contract by \$99,000 for a total not-to-exceed amount of \$225,000;
- D. Authorize the City Attorney to execute an agreement with Orrick, Herrington & Sutcliff, LLP, for Bond Counsel services in the amount of \$62,500 and Disclosure Counsel services in the amount of \$35,000, together with reimbursed expenses not to exceed \$5,000, for the Airport Revenue Bond Financing payable from bond proceeds at such time as the bonds are issued;
- E. Approve and authorize the Finance Director to execute, subject to City Attorney review of the form of the agreement, an agreement with KNN Public Finance for financial advisory services for the Airport Revenue Bond Financing in an amount not to exceed \$115,000, together with reimbursed expenses not to exceed \$5,000, payable from bond proceeds at such time as the bonds are issued; and
- F. Authorize the Airport Director to execute, in a form acceptable to the City Attorney, an amendment to the Airport Promissory Note dated July 1, 2008, in the amount of \$7,800,000 to extend the maturity date of said promissory note to June 30, 2009.

Documents:

- December 23, 2008, report from the Finance Director.
- Proposed Resolutions.
- Proposed agreements related to the bond financing.
- Affidavit of Publication.

(Cont'd)

16. (Cont'd)

The titles of the resolutions were read.

Speakers:

- Staff: Finance Director Robert Peirson, Principal Engineer Owen Thomas, Airport Director Karen Ramsdell.
- Members of the Public: Bond Counsel Bill Bothwell, Orrick, Herrington & Sutcliff, LLP.

Motion:

Council/Board Members Falcone/Schneider to approve the recommendations; City Council Resolution No. 08-115; Financing Authority Resolution No. FA-006; City Council Agreement Nos. 22,644.1, 22,963 and 22,964.

Vote:

Unanimous roll call vote (Absent: Council/Board Member Williams).

MAYOR AND COUNCIL REPORTS

17. Subject: Appointment Of Mayor Pro Tempore, Ordinance Committee, Finance Committee, And Liaisons To Advisory Boards And Commissions (130.01)

Recommendation: That Council consider the appointment of a Mayor Pro Tempore, Chairs and Members of the Ordinance and Finance Committees, and Liaisons to Advisory Boards and Commissions.

Documents:

December 23, 2008, report from the Assistant City Administrator.

Motion:

Councilmember Schneider/Mayor Blum to appoint Councilmember Francisco as Mayor Pro Tempore.

Vote:

Unanimous voice vote (Absent: Councilmember Williams).

Motion:

Councilmembers Schneider/Falcone to maintain the current appointments of the Chairs and Members of the Ordinance and Finance Committees, and Liaisons to Advisory Boards and Commissions.

Vote:

Unanimous voice vote (Absent: Councilmember Williams).

RECESS

2:57 p.m. - 3:07 p.m.

PUBLIC HEARINGS

18. Subject: Appeal Of Planning Commission Decision For 101 E. Victoria Street (640.07)

Recommendation: That Council:

- A. Deny the appeals filed by Trevor Martinson, agent for Mr. and Mrs. Rolf Kowal, and Virginia Rehling, adopt the Mitigated Negative Declaration, and uphold the Planning Commission approval of the Parking Modification, Tentative Subdivision Map, Development Plan and Preliminary Economic Development Designation for the proposed 50-unit commercial condominium development proposed at 101 E. Victoria Street (MST2006-00758), making the findings and subject to the conditions of approval contained in the Council Agenda Report; and
- B. Approve a Final Economic Development Designation for 2,703 square feet of non-residential floor area for the proposed project.

Documents:

- December 23, 2008, report from the Community Development Director.
- Affidavit of Publication.
- December 23, 2008, PowerPoint presentation prepared and made by staff.
- December 23, 2008, documents labeled Exhibits A - H from Trevor Martinson, Appellant.
- December 16, 2008, letter from Scott A. Schell, representing the Applicant.
- December 18, 2008, letter from Professional Geologist/Certified Hydrogeologist Thomas M. Rejzek, Santa Barbara County Fire Department.
- December 23, 2008, letter from Naomi Kovacs, Executive Director, Citizens Planning Association.
- December 23, 2008, email communication from Kellam de Forest.

Public Comment Opened:

3:10 p.m.

Speakers:

- Staff: Associate Planner Kathleen Kennedy, Supervising Transportation Planner Steven Foley, City Attorney Stephen Wiley.
- Planning Commission: Commissioner Bruce Bartlett.
- Appellant: Trevor Martinson.
- Applicant: Brian Cearnal.

(Cont'd)

18. (Cont'd)

Public Comment Closed:
4:22 p.m.

Motion:

Councilmembers House/Horton to:

- 1) Adopt the final Mitigated Negative Declaration;
- 2) Deny the two appeals, upholding the decision of the Planning Commission;
- 3) Approve the final Economic Development Designation; and
- 4) Approve the project, making the findings and subject to the revised conditions of approval, with an added condition to consider increasing the height of the wall along the northern property line subject to review and approval of the Historic Landmarks Commission.

Vote:

Majority voice vote (Noes: Councilmember Francisco; Absent: Councilmember Williams).

RECESS

Mayor Blum recessed the meeting at 4:43 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 19. She stated there would be no reportable action taken during the closed session.

CLOSED SESSIONS

19. Subject: Conference With Labor Negotiator (440.05)

Recommendation: That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the General, Treatment and Patrol, Hourly, and Supervisory bargaining units, and regarding salaries and fringe benefits for unrepresented management and confidential employees.

Scheduling: Duration, 45 minutes; anytime

Report: None anticipated

Documents:

December 23, 2008, report from the Assistant City Administrator.

Time:

4:44 p.m. - 5:07 p.m.

No report made.

ADJOURNMENT

Mayor Blum adjourned the meeting at 5:07 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

_____	ATTEST: _____
MARTY BLUM MAYOR	CYNTHIA M. RODRIGUEZ, CMC CITY CLERK SERVICES MANAGER



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING DECEMBER 30, 2008 COUNCIL CHAMBER, 735 ANACAPA STREET

The regular meeting of the City Council, scheduled for 2:00 p.m. on December 30, 2008, was cancelled by the Council on November 20, 2007, due to lack of a quorum.

The next regular meeting of the City Council is scheduled for January 13, 2009, at 2:00 p.m. in the Council Chamber.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

MARTY BLUM
MAYOR

ATTEST: _____
SUSAN TSCHECH, CMC
DEPUTY CITY CLERK



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: January 27, 2009

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: December 31, 2008, Investment Report And December 31, 2008, Fiscal Agent Report

RECOMMENDATION: That Council:

- A. Accept the December 31, 2008, Investment Report; and
- B. Accept the December 31, 2008, Fiscal Agent Report.

DISCUSSION:

The City's investment reporting schedule requires staff to submit a report on the City portfolio on a quarterly basis. Therefore, this report will cover investment activity for October through December, 2008.

Plummeting home values, deteriorating labor market conditions, scarce credit, and continued difficulties in the finance and automotive industries, plagued financial markets during the fourth quarter. Governments and central banks in the U.S. and abroad responded to the ongoing financial crisis in unprecedented fashion.

The Emergency Economic Stabilization Act of 2008 was signed into law by President Bush in early October. The act authorized the Troubled Asset Relief Program (TARP), a \$700 billion rescue package intended to stabilize the nation's credit markets. By the end of the quarter, about half the TARP funds had been used to inject capital into banks.

The Federal Reserve continued to aggressively cut their key interest rate. By quarter-end, the U.S. Federal Reserve Bank's Open Market Committee effectively lowered the target federal funds rate to 0 percent, where the 25 basis point rate is seen as a ceiling rather than a target. The Fed indicated that rates will remain at exceptionally low levels for some time. The central bank

Date	Fed Funds Rate		Discount Rate	
	Change	New Level	Change	New Level
12/11/07	-0.25	4.25	-0.25	4.75
01/22/08	-0.75	3.50	-0.75	4.00
01/30/08	-0.50	3.00	-0.50	3.50
03/16/08			-0.25	3.25
03/18/08	-0.75	2.25	-0.75	2.50
04/30/08	-0.25	2.00	-0.25	2.25
10/08/08	-0.50	1.50	-0.50	1.75
10/29/08	-0.50	1.00	-0.50	1.25
12/16/08	-1.00 to -0.75	0.00-0.25	-0.75	0.50

also reaffirmed using its balance sheet "to further support credit markets and economic activity" and reassured that it will "purchase large quantities of agency debt and MBS" which aims to improve conditions in the mortgage and housing markets.

Council Agenda Report

December 31, 2008, Investment Report And December 31, 2008, Fiscal Agent Report

January 27, 2009

Page 2

The National Bureau of Economic Research officially stated on December 1st that the U.S. has been in a recession since December 2007. Consumer confidence fell to an all-time low, amid worries of job losses and falling incomes. The unemployment rate rose during the fourth quarter, to a sixteen year high of 7.2%.

During the volatile quarter, investors flocked to the safety of U.S. Treasuries. As seen in the table below, yields plunged in both the short and long ends of the yield curve.

U.S. Treasury Market					
	9/30/2008	10/31/2008	11/30/2008	12/31/2008	Cumulative Change
3 Month	0.90%	0.38%	0.04%	0.01%	-0.89%
6 Month	1.60%	0.95%	0.42%	0.26%	-1.34%
1 Year	1.79%	1.31%	0.90%	0.34%	-1.45%
2 Year	1.96%	1.56%	0.98%	0.76%	-1.20%
3 Year	2.27%	1.81%	1.26%	0.97%	-1.30%
4 Year	2.63%	2.32%	1.59%	1.26%	-1.37%
5 Year	2.98%	2.83%	1.91%	1.55%	-1.43%
10 Year	3.83%	3.97%	2.92%	2.21%	-1.62%
30 Year	4.31%	4.33%	3.44%	2.68%	-1.63%
LAIF	2.77%	2.71%	2.57%	2.35%	-0.42%

Investment Activity

As shown in the table below, the City invested \$6 million during the quarter. \$4 million in purchases consisted of “AAA” rated Federal Agency securities, of which \$2 million is callable, and \$2 million is non-callable. A \$2 million unrated certificate of deposit from Montecito Bank & Trust was renewed for one year. \$4 million of “AAA” rated Federal Agency securities were called during the quarter, and maturities for the quarter totaled \$11 million. The rate at which the City earned interest at LAIF was 2.54% for the

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal Home Loan Bank (FHLB)	\$ 2,000,000	10/01/08	03/30/09	-	-	3.520%
Federal Home Loan Bank (FHLB)	2,000,000	10/15/08	07/15/11	07/15/09	4.000%	4.002%
CD - Montecito Bank & Trust	2,000,000	11/18/08	11/18/09	-	-	2.500%
<i>Total Purchases</i>	\$ 6,000,000					
<i>Calls:</i>						
Federal Home Loan Bank (FHLB)	\$ 2,000,000	05/10/07	11/10/10	11/10/08	5.125%	5.125%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	11/30/06	11/14/11	11/14/08	5.116%	5.250%
<i>Total Calls</i>	\$ 4,000,000					
<i>Maturities:</i>						
Federal National Mortgage Assn (FNMA)	\$ 2,000,000	05/21/07	11/03/08	-	-	5.100%
CD - Montecito Bank & Trust	2,000,000	11/18/06	11/18/08	-	-	5.000%
Federal Home Loan Bank (FHLB)	1,000,000	06/02/06	12/12/08	-	-	5.270%
Federal Home Loan Bank (FHLB)	2,000,000	12/06/06	12/12/08	-	-	4.700%
Toyota Motor Credit	2,000,000	02/28/06	12/15/08	-	-	5.016%
Federal Farm Credit Bank (FFCB)	2,000,000	08/28/06	12/17/08	-	-	5.170%
<i>Total Maturities</i>	\$ 11,000,000					

quarter ending December 31, 2008. Staff expects to continue to reinvest a portion of the City's LAIF balances in short-term securities during the next quarter. With current Fed Funds rate levels remaining low, coupled with further uncertainty in the markets, the reinvestment rate on the City's securities will be considerably lower than those securities that have been called or matured.

Summary of Cash and Investments

During the quarter, the City's book rate of return decreased by 42.8 basis points, from 4.466% at September 30, 2008 to 4.038% at December 31, 2008. The average days to maturity decreased from 578 to 471.

Mo. Ended	Yield	Days to Maturity
9/30/2008	4.466%	578
10/31/2008	4.421%	547
11/30/2008	4.286%	511
12/31/2008	4.038%	471

Credit Quality on Corporate Notes

The table on the following page summarizes the credit ratings on corporate securities held in the City's portfolio. There have been credit quality changes to two corporate issuers as detailed below.

Standard and Poor's (S&P) initially placed Wells Fargo under credit watch in October, following their acquisition of Wachovia. On December 19th, S&P downgraded the credit ratings and outlooks of 12 major U.S. and European banks, including Wells Fargo. The downgrades stemmed from S&P's concerns related to the increased risk to the banking industry, along with the deepening economic slowdown. Wells Fargo corporate notes were subsequently downgraded by one notch from "AA+" to "AA." The last credit ratings change to Wells Fargo occurred in November of 2006, when S&P had upgraded their ratings from "AA" to "AA+." There is still a possibility of a downgrade by Moody's Investors Service (Moody's), from "Aa1" to "Aa1-," although this has not happened as of December 31st. The City currently holds \$4 million in Wells Fargo notes, which in total represent 2.36% of the portfolio.

Moody's also placed Toyota Motor Corporation under review for a possible downgrade, from "Aaa" to "Aaa-." Toyota had been the only automaker with top Triple-A ratings from both S&P and Moody's. Vehicle sales have plunged as consumer access to credit has deteriorated, and the global economic slowdown has led to decreased demand in both developed and emerging markets. As of December 31st, S&P still maintained their "AAA" ratings on Toyota. The City currently holds a \$2 million Toyota Motor Credit Corporation note, representing 1.18% of the portfolio.

Per the City's Investment Policy, Section VII.A.5, investments in any one "AA" rated corporate issuer is limited to no more than 5% of the portfolio, and investments in any one "A" rated issuer is limited to 3% of the portfolio. Also per the Policy, if the quality rating of the issuer is downgraded, subsequent to purchase, below "A," or its equivalent, it shall be reported to Finance Committee and City Council with a recommendation, and ongoing information shall be provided if the bond is not sold. The Toyota and Wells

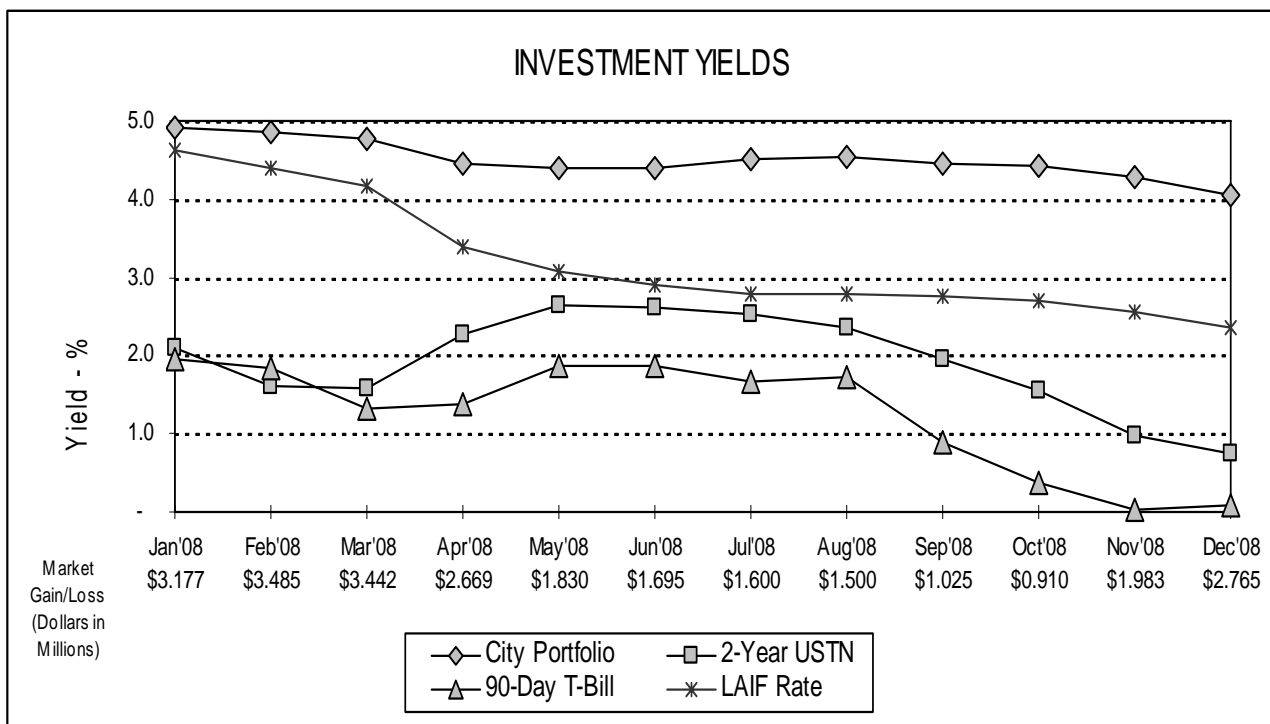
notes are well within the City's credit guidelines, as well as State Government Code, but staff will continue to monitor for any further changes to quality ratings.

ISSUER	PURCHASE DATE	MATURITY DATE	QUALITY RATING at PURCHASE		QUALITY RATING AS OF 12/31/08	
			MOODY'S	S & P	MOODY'S	S & P
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	Aaa	AAA
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	Aaa	AAA
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	Aaa	AAA
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	Aaa	AAA
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	Aaa	AAA
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	Aaa/*-	AAA
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1	AA	Aa1/*-	AA
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA+	Aa1/*-	AA

* - (downgrade possible)

Portfolio Market Gains/Losses

As shown on the Investment Yields graph below, the City's portfolio reflected an unrealized market gain on December 31st. The market value of the portfolio increased steadily during the quarter due to the declining interest rate environment.



Those securities with a market loss of 3% and/or the five securities with the largest percentage of unrealized losses are typically reported in the table below. However, due to the decrease in market yields, none of the securities in the City's portfolio have an unrealized loss as of December 31, 2008.

Issuer	Face Amount	Maturity	\$ Mkt Loss	% Mkt Loss
There are no securities with an unrealized market loss.				

Additional Reporting Requirements

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of December 31, 2008 is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months.

Fiscal Agent Investments

In addition to reporting requirements for public agency portfolios, a description of any of the agency's investments under the management of contracted parties is also required on a quarterly basis. Attachment 2 includes bond funds and the police and fire service retirement fund as of December 31, 2008.

ATTACHMENTS: 1. December 31, 2008, Investment Report
2. December 31, 2008, Fiscal Agent Report

SUBMITTED BY: Robert Peirson, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
December 31, 2008

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

12/01	LAIF Deposit/City	\$ 1,000,000
12/12	LAIF Deposit/City	3,500,000
12/15	LAIF Deposit/City	2,000,000
12/16	LAIF Deposit/City	1,500,000
12/22	LAIF Deposit/City	1,000,000
12/23	LAIF Deposit/City	8,000,000
12/23	LAIF Deposit/RDA	7,500,000
12/30	LAIF Deposit/City	2,500,000
	Total	\$ 27,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

12/04	LAIF Withdrawal/City	\$ (2,500,000)
12/05	LAIF Withdrawal/City	(1,500,000)
12/10	LAIF Withdrawal/City	(1,200,000)
12/12	Federal Home Loan Bank (FHLB) Maturity	(1,000,000)
12/12	Federal Home Loan Bank (FHLB) Maturity	(2,000,000)
12/15	Toyota Motor Credit Maturity	(2,000,000)
12/17	Federal Farm Credit Bank (FFCB) Maturity	(2,000,000)
12/18	LAIF Withdrawal/City	(4,000,000)
12/31	LAIF Withdrawal/City	(2,400,000)
	Total	\$ (18,600,000)

ACTIVITY TOTAL	\$ 8,400,000
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INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 499,238
Amortization	24,740
SBB&T Sweep Account Interest	60
SBB&T Trust Account M/M Interest	289
Total	\$ 524,328

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 37,725
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TOTAL INTEREST EARNED	\$ 562,053
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CITY OF SANTA BARBARA
Summary of Cash and Investments
December 31, 2008

ENDING BALANCE AS OF NOVEMBER 30, 2008

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 33,200,000	2.568%	20.65%	1
Certificates of Deposit	2,000,000	2.500%	1.24%	352
Treasury Securities - Coupon	3,993,184	4.751%	2.48%	121
Federal Agency Issues - Coupon	96,569,412	4.603%	60.06%	758
Corporate/Medium Term Notes	17,222,954	4.921%	10.71%	433
SB Airport Promissory Note	7,800,000	6.500%	4.85%	31
Totals and Averages	\$ 160,785,550	4.286%	100.00%	511
SBB&T Money Market Account	2,648,562			
Total Cash and Investments	\$ 163,434,112			

NET CASH AND INVESTMENT ACTIVITY FOR DECEMBER 2008 **\$ 7,533,180**

ENDING BALANCE AS OF DECEMBER 31, 2008

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 48,600,000	2.353%	28.72%	1 (1)
Certificates of Deposit	2,000,000	2.500%	1.18%	321
Treasury Securities - Coupon	3,995,736	4.751%	2.36%	90
Federal Agency Issues - Coupon	91,587,246	4.581%	54.13%	767
Corporate/Medium Term Notes	15,227,309	4.909%	9.00%	457
SB Airport Promissory Note	7,800,000	6.500%	4.61%	180
Totals and Averages	\$ 169,210,290	4.038%	100.00%	471
SBB&T Money Market Account	1,757,001			
Total Cash and Investments	\$ 170,967,292			

Note:

(1) The average life of the LAIF portfolio as of December 31, 2008 is 223 days.

CITY OF SANTA BARBARA
Investment Portfolio
December 31, 2008

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	2.353	2.353	24,400,000.00	24,400,000.00	24,400,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	2.353	2.353	24,200,000.00	24,200,000.00	24,200,000.00	0.00	
Subtotal, LAIF							48,600,000.00	48,600,000.00	48,600,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/08	11/18/09	-	-	2.500	2.500	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,999,156.39	2,034,920.00	35,763.61	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,996,579.39	2,007,190.00	10,610.61	
Subtotal, Treasury Securities							4,000,000.00	3,995,735.78	4,042,110.00	46,374.22	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,995,361.86	2,021,880.00	26,518.14	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,711.22	2,057,810.00	58,098.78	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,027,304.61	2,182,190.00	154,885.39	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,957.62	2,012,500.00	12,542.38	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,989,200.84	2,122,820.00	133,619.16	
FEDERAL FARM CREDIT BANK	01/29/07	01/22/09	Aaa	AAA	5.010	5.150	2,000,000.00	1,999,845.67	2,005,000.00	5,154.33	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,030,000.00	30,000.00	Callable 2/01/10, then cont.
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	987,399.07	1,034,845.00	47,445.93	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,979,312.27	2,047,190.00	67,877.73	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,010,670.99	2,190,940.00	180,269.01	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,950,009.88	2,114,690.00	164,680.12	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	996,987.92	1,050,315.00	53,327.08	
FEDERAL HOME LOAN BANK	02/13/08	02/13/13	Aaa	AAA	3.850	4.001	2,000,000.00	2,000,000.00	2,000,620.00	620.00	Continuously callable
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,811.44	1,067,970.00	67,158.56	
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,002,081.48	2,043,440.00	41,358.52	
FEDERAL HOME LOAN BANK	04/02/08	04/02/13	Aaa	AAA	4.150	4.150	2,000,000.00	2,000,000.00	2,000,000.00	0.00	Callable 1/02/09, then qtrly
FEDERAL HOME LOAN BANK	04/21/08	10/21/11	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,024,690.00	24,690.00	Callable 7/21/09, once
FEDERAL HOME LOAN BANK	04/22/08	04/22/13	Aaa	AAA	4.000	4.112	2,000,000.00	1,996,916.67	2,010,940.00	14,023.33	Callable 4/22/09, then qtrly
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,981,778.98	2,075,940.00	94,161.02	
FEDERAL HOME LOAN BANK	09/25/08	08/18/09	Aaa	AAA	3.750	3.231	2,000,000.00	2,006,367.24	2,040,940.00	34,572.76	
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,010,620.00	10,620.00	Callable 2/17/09, once
FEDERAL HOME LOAN BANK	10/01/08	03/30/09	Aaa	AAA	3.580	3.520	2,000,000.00	2,000,293.35	2,016,260.00	15,966.65	
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,001,176.89	1,031,875.00	30,698.11	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,987.06	2,429,279.30	84,292.24	

CITY OF SANTA BARBARA
Investment Portfolio
December 31, 2008

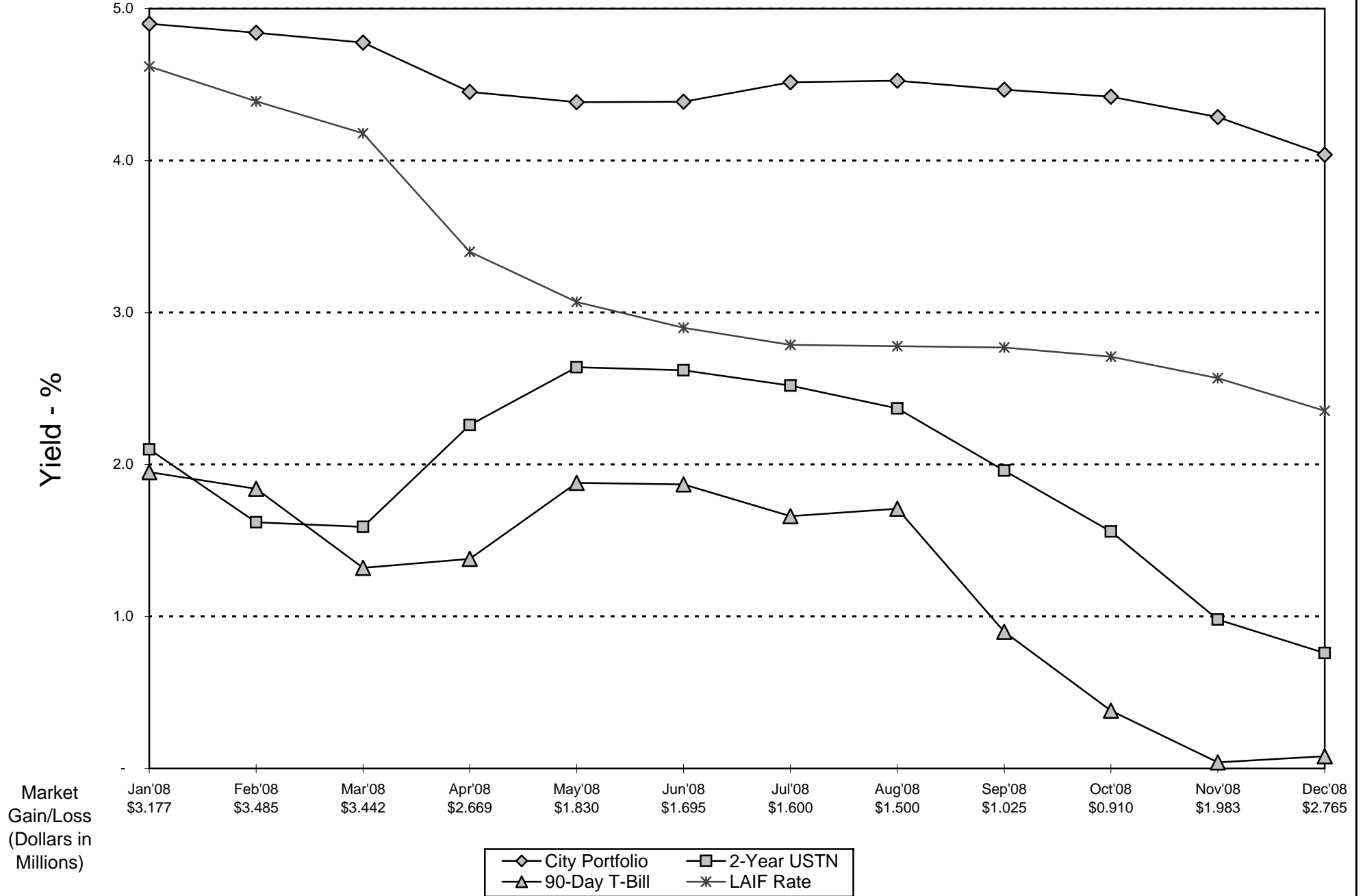
DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,643.85	2,127,190.00	127,546.15	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,991,270.43	2,106,250.00	114,979.57	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,446,162.98	1,471,300.50	25,137.52	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,988,786.99	2,098,130.00	109,343.01	
FEDERAL HOME LOAN BANK	05/22/08	05/22/13	Aaa	AAA	4.350	4.350	2,000,000.00	2,000,000.00	2,023,760.00	23,760.00	Callable 05/22/09, then qtrly
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,979,733.69	2,076,560.00	96,826.31	
FEDERAL HOME LOAN BANK	09/25/08	09/25/09	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,039,690.00	39,690.00	
FEDERAL HOME LOAN BANK	10/15/08	07/15/11	Aaa	AAA	4.000	4.002	2,000,000.00	2,000,000.00	2,026,260.00	26,260.00	Callable 7/15/09, once
FEDERAL HOME LOAN MTG CORP	03/26/08	03/26/13	Aaa	AAA	4.200	4.200	2,000,000.00	2,000,000.00	2,002,840.00	2,840.00	Callable 3/26/09, then qtrly
FEDERAL HOME LOAN MTG CORP	04/16/08	04/16/13	Aaa	AAA	4.000	4.000	2,000,000.00	2,000,000.00	2,002,120.00	2,120.00	Callable quarterly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	994,212.56	1,021,610.00	27,397.44	
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,984,162.31	2,098,440.00	114,277.69	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,056,780.00	56,780.00	Callable 10/15/09, once
FEDERAL HOME LOAN MTG CORP	04/02/08	04/02/12	Aaa	AAA	3.375	3.375	2,000,000.00	2,000,000.00	2,011,600.00	11,600.00	Callable 4/02/09, once
FEDERAL HOME LOAN MTG CORP	06/04/08	06/04/13	Aaa	AAA	4.550	4.550	5,000,000.00	5,000,000.00	5,028,350.00	28,350.00	Callable quarterly
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,985,396.58	2,067,180.00	81,783.42	
FEDERAL HOME LOAN MTG CORP	04/20/07	04/20/12	Aaa	AAA	5.250	5.250	2,000,000.00	2,000,000.00	2,024,960.00	24,960.00	Callable 4/20/09, once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,964,565.82	2,089,680.00	125,114.18	
FEDERAL HOME LOAN MTG CORP	01/09/08	01/09/12	Aaa	AAA	4.250	4.250	2,000,000.00	2,000,000.00	2,001,280.00	1,280.00	Callable 1/09/09, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,987,910.08	2,095,000.00	107,089.92	
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,996,513.96	2,009,380.00	12,866.04	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,998,711.49	2,015,000.00	16,288.51	
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,047,500.00	47,500.00	Callable 3/05/10, once
Subtotal, Federal Agencies							91,795,000.00	91,587,245.80	94,163,614.80	2,576,369.00	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,261,056.37	2,273,085.00	12,028.63	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,039,080.65	2,070,000.00	30,919.35	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,991,299.93	2,022,580.00	31,280.07	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	995,845.56	1,001,750.00	5,904.44	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,984,544.37	1,994,900.00	10,355.63	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,980,508.94	1,998,280.00	17,771.06	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA	4.875	5.260	2,000,000.00	1,985,862.84	2,000,080.00	14,217.16	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1	AA	4.625	5.000	2,000,000.00	1,989,110.11	2,009,200.00	20,089.89	
Subtotal, Corporate Securities							15,250,000.00	15,227,308.77	15,369,875.00	142,566.23	
SB AIRPORT PROMISSORY NOTE											
SANTA BARBARA AIRPORT	07/01/08	06/30/09	-	-	6.500	6.500	7,800,000.00	7,800,000.00	7,800,000.00	0.00	

CITY OF SANTA BARBARA
Investment Portfolio
December 31, 2008

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
Subtotal, SBA Note						7,800,000.00	7,800,000.00	7,800,000.00	0.00	
TOTALS						169,445,000.00	169,210,290.35	171,975,599.80	2,765,309.45	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.

INVESTMENT YIELDS



CITY OF SANTA BARBARA
Fiscal Agent Investments
December 31, 2008

	CASH & CASH EQUIVALENTS	Guaranteed Investment Contracts (GIC)	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
	Book & Market	Book & Market	Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
RESERVE FUNDS										
2004 RDA - Housing Bonds	205.43	-	-	-	-	-	-	-	205.43	205.43
2002 Municipal Improvement - Refunding COPs	14,170.75	547,530.00	-	-	-	-	-	-	561,700.75	561,700.75
2002 Water - Refunding COPs	24,632.24	1,088,268.76	-	-	-	-	-	-	1,112,901.00	1,112,901.00
1994 Water - Revenue Bonds	20,327.02	757,680.00	-	-	-	-	-	-	778,007.02	778,007.02
2002 Waterfront - Reference COPs	441.48	1,393,262.50	-	-	-	-	-	-	1,393,703.98	1,393,703.98
1992 Seismic - Safety Bonds	88,114.16	-	-	-	-	-	-	-	88,114.16	88,114.16
Subtotal, Reserve Funds	147,891.08	3,786,741.26	-	-	-	-	-	-	3,934,632.34	3,934,632.34
PROJECT FUNDS										
2001 RDA Bonds	3,512,581.99	-	-	-	-	-	-	-	3,512,581.99	3,512,581.99
2003 RDA Bonds	71.92	24,924,593.30	-	-	-	-	-	-	24,924,665.22	24,924,665.22
2004 Sewer Revenue Bonds	4,811,521.54	1,357,140.00	-	-	-	-	-	-	6,168,661.54	6,168,661.54
Subtotal, Project Funds	8,324,175.45	26,281,733.30	-	-	-	-	-	-	34,605,908.75	34,605,908.75
Subtotal Bond Funds	8,472,066.53	30,068,474.56	-	-	-	-	-	-	38,540,541.09	38,540,541.09
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	76,216.72	-	215,947.05	235,802.15	-	-	80,900.00	80,287.60	373,063.77	392,306.47
	76,216.72	-	215,947.05	235,802.15	-	-	80,900.00	80,287.60	373,063.77	392,306.47
TOTAL FISCAL AGENT INVESTMENTS	8,548,283.25	30,068,474.56	215,947.05	235,802.15	-	-	80,900.00	80,287.60	38,913,604.86	38,932,847.56

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: U S Bank, Bank of New York and Santa Barbara Bank & Trust

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SANTA BARBARA APPROVING A LEASE AGREEMENT
BETWEEN THE CITY OF SANTA BARBARA AND AG RX
FOR OPERATION OF AN AGRICULTURAL SUPPLY
BUSINESS AT THE SANTA BARBARA MUNICIPAL
AIRPORT

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, that certain lease between the City of Santa Barbara and Ag Rx, which provides for the operation of wholesale distribution center for the purchase of agricultural supplies and associated offices and storage, at the Santa Barbara Municipal Airport, for a period of five (5) years, beginning February 1, 2009, and ending January 31, 2014, with one five (5) year option, is hereby approved.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: January 27, 2009

TO: Mayor and Councilmembers

FROM: Facility Planning and Development Division, Airport Department

SUBJECT: Wetland Mitigation Monitoring Biological Services Year 3 Contract

RECOMMENDATION:

That Council approve and authorize the Airport Director, subject to approval by the City Attorney as to form, to execute a contract with URS Corporation for post-construction biological monitoring associated with the Airfield Safety Projects and other small projects at the Santa Barbara Airport in an amount not to exceed \$106,847, and authorize the Airport Director to approve expenditures up to \$10,685 for extra services that may result from necessary changes in the scope of work.

DISCUSSION:

The mitigation phase of the Airfield Safety Projects involves approximately 30 acres over three restoration sites in the Goleta Slough: Area I, Tecolotito Creek Relocation Area, and Tecolotito Creek Berms. In order to comply with the Coastal Development Permit issued for the Airfield Safety Projects, these sites must be monitored and maintained for a minimum of seven years. This authorization would provide funding for biological monitoring through the third year, ending December 2009.

In February 2007 the City of Santa Barbara executed Contract No. 22,267 for biological services for Year 1. That contract was extended through August 2008. In July 2008 the City of Santa Barbara executed Contract No. 22,891 with URS Corporation for wetland mitigation monitoring biological services for Year 2, through December 2008. At the conclusion of Year 2, Las Vegas Creek and Firestone Drainage restoration projects were determined to have satisfied their permit criteria because the restored habitat is self sustaining. Therefore these two projects are not included in the Year 3 mitigation monitoring contract.

This contract will cover expenses for Year 3 of the mitigation monitoring effort.

CONSULTANT SELECTION

In September 2006, the Airport solicited for biological monitoring and reporting services associated with this project. Consistent with federal requirements, the consultant selection process followed federal guidelines, which require selection based on the qualifications of the consultant, not a fee-based bid. The fee is negotiated after the best-qualified consultant is identified.

Requests for Proposals were sent to qualified firms, and four responses were received. All four responding firms were interviewed and URS Corporation was ranked as having the best qualifications for the work involved.

BUDGET/FINANCIAL INFORMATION:

Funds for this contract are available in the Airport Federal Aviation Administration Grant Fund and the Airport Department Operational Budget.

SUSTAINABILITY IMPACT:

This contract will further the City's Sustainable Santa Barbara Program by enhancing the Goleta Slough ecosystem and protecting it from threats such as invasive plant species.

PREPARED BY: Andrew Bermond, Associate Planner

SUBMITTED BY: Karen Ramsdell, Airport Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: January 27, 2009

TO: Mayor and Councilmembers

FROM: Finance Department, Environmental Services Division

SUBJECT: Change Order Request For Solid Waste Rate Study Consultant

RECOMMENDATION:

That Council approve a change order of \$15,000 to Professional Services Agreement No. 378865 with Skumatz Economics Research Associates, Inc., bringing the total contract to \$38,930.

DISCUSSION:

In fall 2008, as part of the Business Sector Recycling effort, Environmental Services Division staff hired Skumatz Economics Research Associates (SERA) to perform a rate study for the business sector. The rate study is now well underway and is expected to be finalized in February, at which time the results will be presented to the Solid Waste Committee and subsequently to City Council.

The primary purpose of the rate study is twofold: (1) to establish new rates for the planned implementation of a Foodscrap Recovery and Composting Program in the business sector on July 1, 2009; and (2) to provide greater financial incentives for businesses to divert more recyclable materials from landfill disposal. In addition, the rate study would also allow the City to resolve certain anomalies in existing rates that create disincentives for businesses to recycle.

City staff has been working closely with the City's two refuse haulers on the rate study. SERA has built an econometric model that is designed to allow varying rate scenarios depending on desired diversion targets, while ensuring adequate revenues are generated to ensure revenue neutrality.

After a few months of work, it has been determined that more time will be needed of the project team, including the consultant, SERA, to bring the project to completion. As a result, approval of a change order in the amount of \$15,000 is being requested.

The additional time and cost for this project is due to several factors. First and foremost, the rate model being developed is highly complicated and unlike rate models developed by other agencies. As such, it required building a completely new model rather than customizing an existing one.

Another factor is the inherent nature of any rate model, which is to predict the impacts of varying rates on recycling habits of businesses, requiring that many assumptions be built into the model. This has required a great deal of time for the project team to arrive at a consensus on the model's various elements and assumptions – more time than originally expected. In addition, the project has been expanded to include pricing for the Foodscraps Recovery and Composting Program, developing hauler incentives, and several other factors. Initial results from the model also indicated errors in the data on subscription levels and, as a result, had to be replaced several times.

Based on the factors noted above, we estimate an additional 122 hours will be required of SERA to complete the project, at a cost not to exceed \$15,000.

BUDGET/FINANCIAL INFORMATION:

Approval of this change order would bring the contract to \$38,930. The entire contract, including the change order, will be funded from existing appropriations specifically budgeted for rate studies.

PREPARED BY: Stephen MacIntosh, Environmental Services Supervisor

SUBMITTED BY: Robert D. Peirson, Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: January 27, 2009

TO: Mayor and Councilmembers

FROM: Patrol Division, Police Department

SUBJECT: Special Weapons And Tactics (S.W.A.T.) Weapons Exchange And Purchase

RECOMMENDATION:

That Council find it in the City's best interest to waive the formal bid procedure as authorized by Municipal Code §4.52.080(k) and approve the exchange and purchase of new weapons and equipment from Cinema Weaponry.

DISCUSSION:

Since the summer of 2000, the Santa Barbara Police Department SWAT Team has utilized a combination of Heckler & Koch MP-5's and Heckler & Koch G-36's as entry weapons for team members.

After the SWAT Team acquired the G-36's (which are nearing their usable life expectancy), the Santa Barbara Police Department switched from a patrol shotgun to a patrol rifle and the Department acquired the Colt AR-15 semi-automatic Carbine weapon system.

The SWAT Team began a search for a firearms dealer who might be able to accommodate a trade of HK G-36's and other weapons/accessories the SWAT Team no longer uses for Colt M-4's select fire (Semi-automatic/automatic) weapons and accessories. An exhaustive search only revealed one dealer, Cinema Weaponry who was willing to conduct an exchange of our old weapons for credit towards the purchase of new weapons. Cinema Weaponry would also render our old weapons inert for movie prop use and not resell them back to the general public.

Cinema Weaponry of Glendale, CA is a company that specializes in prop weapons for major films and they have the required State and Federal licenses to legally deal in Class III weapons. They also have the ability to make any weapons that they don't sell to other law enforcement/government agencies into prop guns which means that they would no longer function to fire a live projectile. Michael Papac, owner of Cinema Weaponry, was recommended to us as an exchange dealer by the west coast law enforcement sales representative of Heckler & Koch. Papac sent us a confirmation letter that said he would take the HK G-36's and many of the weapons that the SWAT Team has amassed over the years that we no longer use, and could give us credit to purchase Colt M-4's and accessories.

There are many benefits of going to a Colt M-4 weapon for SWAT Team entry weapons. First, having the SWAT Team use the same system as the patrol rifle will allow us to use on-site Colt armorers and on-site parts stores. Second, we will be able to interchange magazines from patrol rifles with SWAT weapons. Third, the Colt M-4 comes with a 6 position collapsible stock system that is substantially more customizable for SWAT Team members and can be changed as team members enter and leave the team. Fourth, the availability of accessories for the Colt platform is almost unlimited and the cost of these items is substantially lower than accessories for Heckler & Koch weapons. Finally, the training is consistent with all other officers in the Department.

Cinema Weaponry was sent a spreadsheet of weapons that would be traded in for credit. Included on the spreadsheet was also a list of the weapons that we would like to purchase on the credit. There will be no budget impact to the City, in fact, Cinema Weaponry confirmed that our trade-in weapons would provide us with a credit of \$9,850 and our purchase would cost \$8,537 leaving a credit of \$1,313 for future use.

It is in the best interest of the City to conduct single source negotiations with Michael Papac of Cinema Weaponry, LLC to trade-in our G-36's and other unused SWAT weapons to transition to the Colt M-4 weapons platform for use by the Santa Barbara Police Department SWAT Team.

BUDGET/FINANCIAL INFORMATION:

There will be no budget impact to the City.

PREPARED BY: Alex Altavilla, Police Captain

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: January 27, 2009

TO: Mayor and Councilmembers

FROM: Water Resources, Public Works Department

SUBJECT: Increase In Funding For Two Water Conservation Grants And Graywater Permit Fee Offset

RECOMMENDATION: That Council:

- A. Accept an increase in grant funding from the U.S. Bureau of Reclamation in the amount of \$20,000 for the Sustainable Landscaping Television Series;
- B. Accept an increase in grant funding from the U.S. Bureau of Reclamation in the amount of \$20,000 for the Rain Sensor Program;
- C. Increase the estimated Fiscal Year 2009 Water Fund Revenues by \$40,000 and appropriate the same to the 2008-2009 Water Fund Operating Budget; and
- D. Authorize use of the Water Fund to offset a portion of the fee for issuance of graywater system permits.

DISCUSSION:

The City has accepted and implemented two grants from the U.S. Bureau of Reclamation (USBR). One grant assisted in funding the Sustainable Landscape Television Series ("Garden Wise Guys") and updated the regional water conservation website (sbwater.org). The other was used for the Rain Sensor Program, which provides rebates for the installation of sensors to shut off automatic irrigation controllers during and immediately after rain storms.

Public Works Staff applied for and received increased grant funding to enhance these two projects. The Sustainable Landscape Television Series was originally granted \$23,500. Approval of an additional \$20,000 brings the total grant to \$43,500. Increased grant funding will offset costs for landscape design, plant signs and brochures for the Firescape Garden, as well as advertising costs to promote the television show.

The original Rain Sensor Program grant was for \$19,125. An additional \$20,000 brings the total grant to \$39,125. The additional funds will be used to expand the scope of the Rain Sensor Program into an enhanced pilot program called the Smart Landscape Rebates Program, which will provide rebates for water efficient landscapes. Public Works Staff is planning to launch this pilot program in the spring of 2009.

Public Works Staff is working in conjunction with Building and Safety Division Staff to streamline the graywater permit process. Reducing the required permit fee for a single family graywater system is one of the first steps to making it easier for residents to construct legally permitted graywater systems. The Public Works Department is proposing to use the Water Fund to partially offset the \$360 graywater system permit fee so the applicant will pay only \$50 for a simple single family graywater system.

BUDGET/FINANCIAL INFORMATION:

City Water Conservation staff will provide in-kind staff support for these two grants. Goleta Water District and the Santa Barbara County Water Agency will also provide staff assistance.

There are sufficient funds in the 2009 Water Fund budget to cover the costs of off-setting graywater permit fees. Staff estimates that this cost will not exceed \$3,500.

PREPARED BY: Rebecca Bjork, Water Resources Manager/AJ/spm

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: January 27, 2009

TO: Mayor and Councilmembers

FROM: City Attorney's Office

SUBJECT: Conference With Legal Counsel - Pending Litigation

RECOMMENDATION:

That Council hold a closed session to consider pending litigation pursuant to subsection (a) of section 54956.9 of the Government Code and take appropriate action as needed.

The pending litigation is *City of Santa Barbara v. United States of America; Richard Yee v. United States of America*, USDC Number CV 07-7533 VBF (JCx) Consolidated with CV 08-2115.

SCHEDULING:

Duration: 15 minutes; anytime

REPORT:

None anticipated

SUBMITTED BY: Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: January 27, 2009
TO: Mayor and Councilmembers
FROM: City Attorney's Office
SUBJECT: Conference With Legal Counsel - Pending Litigation

RECOMMENDATION:

That Council hold a closed session to consider pending litigation pursuant to subsection (a) of section 54956.9 of the Government Code and take appropriate action as needed.

The pending litigation is *Landslide Repair Foundation v. City of Santa Barbara*, SBSC Number 1304297.

SCHEDULING:

Duration: 15 minutes; anytime

REPORT:

None anticipated

SUBMITTED BY: Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office